

April 30, 2003

Marlene Dortch  
Secretary  
Federal Communications Commission  
445-12th Street, SW  
Room TW-A325  
Washington, DC 20554

Electronic Filing  
Ex Parte Presentation

CC Docket No. 02-6 and FCC 03-101

Dear Ms. Dortch:

On April 30, 2003 members of the Council of Chief State School Officers E-Rate Alliance (Alliance) met with members of the Wireline Competition Bureau at the Embassy Suites Hotel, Washington, D.C. to discuss issues related to the above captioned proceedings. Members of the Alliance included: Della Matthis, AK; Jim Harris, AL; Becky Rains, AR; Wayne Shimizu, CA; Claude W. Shipley, FL; Melinda Crowley, FL; Richard Brock, GA; Ricardo Tostado, IL; Jana Craig, KS; Mike Leadingham, KY; Teri Lawrence, LA; Jeannene Hurley, MI; Tony Wening, MO; Gary Rawson, MS; Ken Thompson, MS; Harriette Sparlin, NC; Wayne Fisher, NE; Bruce Daley, NV; Win Himsworth, NY; Brett Himsworth, NY; Dan Farslow, OH; Pat Middelburg, OR; Julie Tritt Schell, PA; Tom Bayersdorfer, TN; Richard LeGow, TX; Louise Tonin, UT; Randy Scott, UT; Greg Weisiger, VA; Ellen Wolfhagen, WA; Susan Woodhouse, WA; and Steve Sanders, WI. Members of the Wireline Competition Bureau in attendance included Mark Seifert, Carol Matthey, Narda Jones, Sarah Whitesell, and Jonathan Secrest

The Alliance presented the attached document and described how implementation of the suggestions would prevent waste, fraud, and abuse and streamline the E-Rate Program

Respectfully Submitted this 30<sup>th</sup> day of April, 2003

Council of Chief State School Officers E-Rate Alliance

# **Recommended Improvements to the E-Rate Program Submitted by CCSSO State E-Rate Coordinators**

**April 30, 2003**

***I. Adjustment of the discount matrix, application interval and definition of maintenance for internal connections are recommended in order to reduce the potential for fraud, waste and abuse, and in order to more equitably allocate available funds among applicants.***

- A. The maximum discount level for internal connections services funding should be capped at 70%.
- B. Applicants should submit applications for funding of internal connections for each school on an every other year basis, rather than on an annual basis.
- C. In order to reduce the potential for fraud, waste and abuse, the definition of maintenance services on internal connections should be re-examined in order to pay specific attention to items such as help-desks and on-site maintenance.

***II. Various modifications to the existing E-Rate forms are recommended in order to simplify the administration of the program.***

- A. The Form 470 should be eliminated and other specific procedures should be established to assure that meaningful competitive bidding of services occurs.
- B. The Free and Reduced Lunch data should be prepopulated and made available to Form 471 online filers, and the applicant would retain the option to modify and update the data.
- C. The Block 3 information on Form 471 should not be collected because it serves no evident useful purpose.
- D. The Form 471 should be modified to give each applicant the option to provide the name of the organization that approved the technology plan(s); confirm the date on which services are scheduled to commence; and, certify CIPA compliance, thereby making the Form 486 optional for priority one applicants that are able to provide this information at the time of filing the Form 471.
- E. The funding process for basic telephone service including POTs, cell phone and long distance (services not requiring a technology plan) should be streamlined.

***III. Various modifications to the manner in which services are classified and evaluated for eligibility are recommended in order to simplify the administration of the program and to minimize the potential for fraud, waste and abuse.***

- A. While the April 29<sup>th</sup> Second Report and Order in CC Docket No. 02-6 codifies a new broader definition of educational purposes, a holistic approach is needed for recognizing the breadth of activities related to education.
- B. The application and approval process for recurring services should be streamlined so as to leverage prior years' review and approval of those services.
- C. Eligible services PIA staff should be directly available to applicants and vendors for thorough pre-application advice and assistance.
- D. The circumstances under which service substitutions are permitted should be enlarged in order to accommodate requests from applicants.

***IV. Consortium applications would benefit greatly from administrative reforms to address their size and complexity.***

- A. Streamline and expedite the application process with focused resources.
- B. Parity of discount methodologies with other applicants.
- C. Revisions and Reforms of the Letters of Agency (LOAs) forms.
- D. Duplicative services rulings must be carefully implemented.

***V. Administrative Issues***

- A. Based on our firsthand experiences, we suggest that the Administrator consider the feasibility of making the following administrative enhancements.
  - 1. Increase SLD personnel numbers.
  - 2. In order to eliminate duplicate requests for information to applicants, applications should be reviewed with a coordinated approach, to be undertaken by the same team of reviewers for all aspects of each application.
  - 3. Permit SLD to fix operationally-induced or caused errors without requiring the filing of an appeal to correct the error.
  - 4. Delegate some policy authority to SLD.
  - 5. Annually convene task force composed of representatives of the applicant and service provider communities to discuss and address operational issues and improvements.
- B. The window closing date should be established as mid-February of each year.
- C. To increase the knowledge level of participating persons, SLD should offer a certified training program.

- D. Just like vendors have to register with the administrator (through a SPIN form), consultants should submit a registration form to SLD.
- E. Procedures need to be established to address delays in issuing funding commitment decisions letter and other documents.
- F. An independent ombudsman should be established to facilitate issues resolution.

***VI. Financial Support for State E-rate Coordinators is essential because currently, there is little or no financial support for state coordinators while they have an increased role in the responsible and efficient administration of the E-rate program.***

***VII. Payment and Invoice Recommendations***

- A. BEAR payments should be made directly to applicants without first going to the service provider.
- B. Applicants should be given the option of reviewing and approving invoices by establishing a checkoff box on Form 486 or Form 471 for applicant review of SPIFs.

***IX. Enforcement***

Service providers, applicants and consultants should be debarred for willful or repeated violations of program rules.